

203. Also, petition of teachers of Orange County, Calif., favoring Smith-Towner educational bill; to the Committee on Education.

204. By Mr. LINTHICUM: Petition of sundry citizens of Baltimore, Md., and sundry members of Monumental Lodge, No. 567, of Baltimore, Md., opposing Cummins antistrike bill; to the Committee on Interstate and Foreign Commerce.

205. Also, petition of United Brotherhood of Carpenters and Joiners of America, Local Union No. 318, opposing Cummins bill; to the Committee on Interstate and Foreign Commerce.

206. Also, petition of D. MacCalman, favoring increase in pay and allowances to Army, Navy, Marine Corps, and Public Health Service; to the Committee on Military Affairs.

207. Also, petition of Frank A. Perlman, favoring Royal C. Johnson bill relative to back pay to soldiers, sailors, and marines; to the Committee on Military Affairs.

208. Also, petition of Anna B. Thomas, of Baltimore, Md., opposing compulsory military training; to the Committee on Military Affairs.

209. By Mr. LONERGAN: Petition of Thomas Ashe Branch of Friends of Irish Freedom, urging appointment of a minister or consul to the Republic of Ireland; to the Committee on Foreign Affairs.

210. By Mr. McLAUGHLIN of Nebraska: Petition of the Beatrice Rotary Club, urging an immediate and permanent settlement of the differences between the miners and operators of bituminous coal to the end that a long-suffering public may be relieved of the present disastrous conditions; to the Committee on the Judiciary.

211. By Mr. O'CONNELL: Petition of National Camp, Patriotic Order Sons of America, regarding remedy for reducing the high cost of living and the Mexican situation; to the Committee on Military Affairs.

212. Also, petition of Order of Sleeping Car Conductors, New York, N. Y., concerning railroad legislation; to the Committee on Interstate and Foreign Commerce.

213. Also, petition of Abraham Lincoln Branch, Friends of Irish Freedom, indorsing House bill 3404; to the Committee on Foreign Affairs.

214. By Mr. RAKER: Petition of Amapola Parlor, No. 80, Native Daughters of the Golden West, of Sutter Creek, Calif., relating to immigration from Asia; to the Committee on Immigration and Naturalization.

215. Also, petition of Women's Auxiliary, Post Office Clerks, Los Angeles, Calif., urging passage of resolution providing that before 6 a. m. and after 6 p. m. 45 minutes shall constitute an hour's work in the Post Office Department; to the Committee on the Post Office and Post Roads.

216. By Mr. TINKHAM: Petition of executive committee of the Associated Industries of Massachusetts, urging legislation to apprehend all persons circulating seditious propaganda; to the Committee on the Judiciary.

217. Also, petition of Tipperary Association, of Boston, Mass., urging passage of House bill 3404; to the Committee on Foreign Affairs.

218. By Mr. VARE: Petition of National Camp, Patriotic Order Sons of America, demanding United States rights in Mexico and on border; to the Committee on Foreign Affairs.

SENATE.

WEDNESDAY, December 10, 1919.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we sincerely desire to follow the guidance of Divine Providence in the building of this great Nation that Thou has committed to our care. We desire through it to glorify Thy name and to advance the interests of all the people. We bow reverently before Thee asking Thee for all those spiritual qualities of heart and mind that will thoroughly prepare us for the mighty task Thou has committed to our hands. Bless Thy servants in the Senate to-day. For Christ's sake. Amen.

ANDRIEUS A. JONES, a Senator from the State of New Mexico, appeared in his seat to-day.

Mr. JONES of Washington. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll. The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Chamberlain	Elkins	Hale
Ball	Colt	Fernald	Harrison
Beckham	Culberson	France	Johnson, S. Dak.
Calder	Cummins	Frelinghuysen	Jones, Wash.
Capper	Dial	Gay	Keyes

Kirby
La Follette
McKellar
McNary
Nelson

Norris
Overman
Page
Phipps
Ransdell

Sheppard
Sherman
Smith, S. C.
Spencer
Sterling

Thomas
Trammell
Warren
Wolcott

The VICE PRESIDENT. Thirty-nine Senators have answered the roll call. There is no quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. KNOX, Mr. MOSES, Mr. POMERENE, Mr. SMITH of Maryland, Mr. WADSWORTH, and Mr. WILLIAMS answered to their names when called.

Mr. LODGE, Mr. JOHNSON of California, Mr. BANKHEAD, Mr. WALSH of Montana, Mr. KING, Mr. BRANDEGEE, Mr. BORAH, Mr. McLEAN, Mr. UNDERWOOD, and Mr. HARDING entered the Chamber and answered to their names.

Mr. LODGE. I wish to announce the necessary absence in the Committee on Finance of the Senator from Kansas [Mr. CURTIS], the Senator from West Virginia [Mr. SUTHERLAND], and the Senator from Idaho [Mr. NUGENT].

Mr. WALSH of Montana. I wish to announce that the Senator from Nevada [Mr. PITTMAN] is detained by serious illness in his family.

Mr. SHEPPARD. The Senator from Virginia [Mr. SWANSON] is detained on account of illness in his family.

Mr. McKELLAR. I desire to announce that the Senator from Nebraska [Mr. HIRCHCOCK], the Senator from Montana [Mr. MYERS], the Senator from Idaho [Mr. NUGENT], the Senator from North Carolina [Mr. SIMMONS], the Senator from Maryland [Mr. SMITH], and the Senator from Kentucky [Mr. STANLEY] are detained on official business.

I wish also to announce that the Senator from Florida [Mr. FLETCHER] and the Senator from Georgia [Mr. SMITH] are detained from the Senate on public business.

The VICE PRESIDENT. Fifty-six Senators have answered to the roll call. There is a quorum present. The Secretary will read the Journal of the proceedings of the last legislative day.

The Secretary proceeded to read the Journal of the proceedings of the legislative day of Monday, December 8, 1919, and was interrupted by

Mr. TRAMMELL. I ask unanimous consent that the further reading of the Journal be dispensed with.

Mr. GAY. I object. Let it be read.

The VICE PRESIDENT. The Secretary will continue the reading.

The Secretary resumed the reading of the Journal, and was interrupted by

Mr. LODGE. I ask that the further reading of the Journal be dispensed with.

The VICE PRESIDENT. That request was made once and objection was made. Is there further objection?

Mr. GAY. I object.

The Secretary resumed and concluded the reading of the Journal, and it was approved.

ENDOWMENT OF AGRICULTURAL COLLEGES (H. DOC. NO. 495).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a report of the disbursements for the fiscal year ending June 30, 1920, made in the States and Territories under the provisions of that act and of an act of Congress approved March 4, 1907, providing for an increase in the annual appropriations for the colleges of agriculture and mechanic arts, which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

TRAVEL EXPENSES OF GENERAL LAND OFFICE (H. DOC. NO. 500).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior transmitting, pursuant to law, a report from the Commissioner of the General Land Office showing the traveling expenses incurred in detaching employees from the office of the Surveyor General to another, etc., which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

MISCELLANEOUS EXPENSES, DEPARTMENT OF AGRICULTURE (H. DOC. NO. 498).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of Agriculture transmitting, pursuant to law, a detailed statement of the manner in which the appropriation "Miscellaneous expenses, Department of Agriculture, 1919," has been expended, which, with the accompanying paper, was referred to the Committee on Agriculture and Forestry and ordered to be printed.

EXPENDITURES UNDER FOOD CONTROL ACT (H. DOC. NO. 501).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of Agriculture transmitting, pursuant to law, a detailed report of expenditures under the act of

August 10, 1917, to provide further for the national security and defense by stimulating agriculture and facilitating the distribution of agricultural products, etc., which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House had passed a bill (H. R. 10918) to provide revenue and encourage domestic industries by the elimination, through the assessment of special duties, of unfair foreign competition, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED.

The message also announced that the Speaker of the House had signed the enrolled bill (S. 1300) to authorize the sale of certain lands at or near Minidoka, Idaho, for railroad purposes.

PETITIONS AND MEMORIALS.

Mr. BRANDEGEE. I ask that the telegram which I send to the desk may be read.

There being no objection, the telegram was read, as follows:

HARTFORD, CONN., December 2, 1919.

HON. FRANK B. BRANDEGEE,
United States Senate, Washington, D. C.

DEAR SENATOR: We pray you to present and support the following to the Senate of the United States:

"We, the undersigned citizens of the United States of America, hereby protest against any further continuance of the segregation of colored interstate passengers. We hereby petition you to enact as part of the railroad bill or bills which come before the Senate at this coming regular session an amendment to forbid any separation of passengers for color in interstate travel or any discrimination or any distinction in or denial of any grade thereof for race or color, the Madden amendment offered in the House of Representatives being one which fully covers the case."

THE COLORED MEN'S CIVIC LEAGUE,
Hartford, Conn.

Mr. CAPPER presented memorials of the Central Labor Union of Fort Scott; of the Federated Trades Union of Newton; of the Federated Shop Craft of Neodesha; of the Central Labor Union of Chanute; of Local Lodge No. 420, Boiler Makers' Union, Arkansas City; of Local Branch, Boiler Makers' Union, of Wellington; of Local Union No. 183, International Brotherhood of Boiler Makers and Iron Ship Builders and Helpers, of Chanute; of the Shop Employees' Union of Topeka, all of the State of Kansas, remonstrating against the passage of the so-called Cummins railroad bill and praying for two years' extension of Government operation of railroads, which were ordered to lie on the table.

He also presented a memorial of the Federation of Shop Craft of Kansas City, Mo., and a memorial of the Terminal Federation of Kansas City, Mo., remonstrating against the passage of the so-called Cummins railroad bill and praying for two years' extension of Government operation of railroads, which were ordered to lie on the table.

He also presented a memorial of Local Union No. 1847, Farmers' Educational and Cooperative Union of America, of Pleasant Valley, Kans., remonstrating against compulsory military training, which was referred to the Committee on Military Affairs.

He also presented a memorial of the Central Labor Union, Arkansas City, Kans., remonstrating against the passage of the so-called Cummins railroad bill, which was ordered to lie on the table.

Mr. JONES of Washington presented a petition of the Board of the Employers' Association of the Inland Empire, praying for the enactment of legislation making it a felony for membership in any organization to overthrow the Government, which was referred to the Committee on the Judiciary.

Mr. NELSON presented a petition of Ralph M. Spink Post, No. 97, American Legion, of Ortonville, Minn., praying for the enactment of legislation providing for the deportation of certain aliens, which was referred to the Committee on Immigration.

Mr. SMITH of Maryland. I present a communication from the secretary of the Civic Educational Association of Maryland, which I ask to have printed in the Record and referred to the Committee on Foreign Relations.

There being no objection, the communication was referred to the Committee on Foreign Relations and ordered to be printed in the Record, as follows:

THE CIVIC EDUCATIONAL ASSOCIATION OF MARYLAND,
OFFICE OF THE SECRETARY,
December 4, 1919.

HON. JOHN WALTER SMITH,
United States Senate, Washington, D. C.

DEAR SIR: In order to obtain an expression of opinion from members of the Civic Educational Association of Maryland regarding the proposed treaty of peace with Germany, and

especially the league of nations, a ballot vote was taken of the members. The result of this vote is sent to you in the hope that it may be of value to you in expressing the views on a most important public matter of a nonpartisan organization representative of the best public opinion in the State. The result of the vote showed that the sentiment in favor of a league of nations of some sort is unanimous. The members favor the adherence of the United States to article 10 of the covenant in the proportion of four to one. The members are opposed to the reservations adopted by a majority of the Senate requiring acceptance by the other powers in the proportion of eight to one. The members are in favor of the adoption of a treaty without reservations requiring acceptance by the other powers in the proportion of nine to one.

Realizing fully that this association represents a small number of citizens and is not of great influence in the State, we nevertheless dare to hope that in expressing our views they may be taken by you as entitled to consideration on the grounds that they are the unbiased opinion of an association whose sole object is the advancement of the welfare of the people of this State.

Respectfully, yours,

GEORGE S. YOST, Secretary.

Mr. SMITH of Maryland presented a memorial of the Baltimore Yearly Meeting of Friends, held in Baltimore, Md., remonstrating against compulsory military training, which was referred to the Committee on Military Affairs.

Mr. JOHNSON of South Dakota. I present a memorial of the Central Labor Union, of Aberdeen, S. Dak., remonstrating against the enactment of legislation curtailing the right of organized labor to strike to secure just demands. I ask that the memorial lie on the table and be printed in the Record.

There being no objection, the resolution was ordered to lie on the table and to be printed in the Record, as follows:

ABERDEEN CENTRAL LABOR UNION,
Aberdeen, S. Dak., November 10, 1919.

HON. EDWIN S. JOHNSON,
United States Senate.

DEAR SIR: Aberdeen Central Labor Union, in meeting duly assembled, proposed and passed the following resolution:

"Resolved, That we do hereby protest against the passing of any bill or bills curtailing the right of organized labor collectively to strike to insure their just demands, and hereby request you as our representative to use your vote and influence against such legislation."

Organized labor represents 2,000 votes in Aberdeen, S. Dak.

Respectfully,

GEO. E. MEHNER, President.

Mr. JOHNSON of South Dakota. I also present a memorial of Bridge City Lodge, No. 505, International Association of Machinists, of Mobridge, S. Dak., remonstrating against the passage of the pending railroad bill, which I ask to lie on the table and be printed in the Record.

There being no objection, the resolution was ordered to lie on the table and to be printed in the Record, as follows:

NOVEMBER 7, 1919.

Bridge City Lodge, No. 505, International Association of Machinists, indorses the resolution as adopted by Liberty Lodge, No. 1023, International Association of Machinists, denouncing the Cummins bill and recommending the adoption of the Plumb plan as a just substitute.

[SEAL.]

S. J. BAILEY, President.

R. J. MARTIN,

Recording Secretary.

MOBRIDGE, S. DAK., November 7, 1919.

HON. EDWIN S. JOHNSON.

DEAR SIR: We earnestly ask your support, which we and many citizens of Mobridge, S. Dak., consider is just.

Respectfully,

[SEAL.]

R. J. MARTIN,

Secretary No. 505, I. A. of M.

OIL SITUATION IN MEXICO.

Mr. SHERMAN. Mr. President, I present a communication affecting the oil situation in Mexico, signed by a number of oil companies, and ask that it be printed in the Record without reading.

There being no objection, the communication was referred to the Committee on Foreign Relations and ordered to be printed in the Record, as follows:

NEW YORK, December 8, 1919.

HON. LAWRENCE Y. SHERMAN,

United States Senate, Washington, D. C.

DEAR SIR: Within the last 30 days the Mexican Government, employing its armed soldiers, has stopped American-owned com-

panies from drilling oil wells in Mexico and has locked up their tools under Government seal. The companies are thus deprived of the use and enjoyment of their own properties, and there exists no justification for these high-handed acts.

All of the facts have been communicated to the State Department at Washington. The statements of the companies show in detail the physical acts of confiscation that have occurred. The companies, being in no position to meet force with force, are at the end of their row.

The avowed purpose of the Mexican Government is to nationalize petroleum, and this is its latest move to that end. Nationalization means confiscation in this instance. There is no pretense of compensation, just or otherwise, and there is also lacking the element of national necessity. The scheme was first voiced in article 27 of the Queretaro constitution, effective May 1, 1917, declaring in terms that petroleum belongs to the nation. Then followed various executive decrees, issued in 1918 and ratified by Congress in December of that year, designed to carry the constitutional provision into effect and make it retroactive. The American-owned companies had acquired their properties, consisting of lands in fee and oil leases executed by landowners, prior to the adoption of this constitution and at a time when by express statute landowners owned also any petroleum contained in or found upon the land. So when Carranza undertook to carry out his program in 1918 the State Department at Washington took cognizance and said in effect that such confiscation of vested rights would not be permitted as against citizens of the United States. The Mexican officials then undertook to accomplish their purpose of indirection. The executive submitted to the Mexican Congress an elaborate petroleum bill similar to the decrees, which bill is still pending. Knowing that oil wells do not last forever, the authorities adopted the policy, or retained the previously adopted policy—therefore a mere police regulation—of requiring permits to be obtained before oil wells are drilled, and as a condition annexed to the permits they required the companies to expressly agree in writing to conform to the petroleum law when enacted by Congress. The companies refused to submit to this condition. Some of them offered to stipulate as demanded, with a proviso that the law should not take away any of their vested rights, but that was unsatisfactory to the authorities, and the permits were canceled. Thereupon, as and when the companies felt that the necessities of their business required it, they proceeded to drill without permits. It is this drilling by the companies on their own properties that has been stopped. One large well was brought in without a permit. Its operation is prevented by force.

The companies recognize the property in ordinary circumstances of the Government requiring them to obtain drilling permits. But that practice is warranted only as a police regulation. Here the purpose was ulterior. The permits were issued, but with them was coupled an impossible condition. The fact of issuance shows that all police requirements had been met, and the condition stands out as conclusive proof of the ulterior purpose. It meant that if the petroleum law when enacted should follow the decrees the companies would have surrendered their titles to the Government. True, the petroleum law might give the companies a preference right to prospect for and produce oil in their confiscated properties, but in order to do this, according to the pending bill, they would have to pay royalties to the Government and take a mere mining license subject to the will and future regulations of the Government. That is all they would get in exchange for the rights and titles which they already had bought and paid for, and which they had acquired not from the Government through concession or otherwise but from private landowners whose title to the petroleum was unquestioned. If the Mexican Government could bring about this situation and enforce either the one consequence or the other it could confiscate outright; there is no difference. The case is the same as if a city should covet a lot within its boundaries and when the owner sought a building permit impose the condition that it receive a quitclaim deed for the property. Wrongs which can not be accomplished directly may not be accomplished indirectly.

A vital fact to keep in mind is that these proceedings have occurred under the constitution, which says that petroleum belongs to the nation. It says more, namely, that the nation's ownership is inalienable and imprescriptible. Hence no decree or statute could give more than a temporary license, once the constitution is applied and upheld. And foreign companies could not obtain even that much; they are expressly outlawed by the same constitution. The situation therefore is that the companies are forcibly prevented from taking oil from their properties, and the Government is asserting simultaneously that the oil belongs to the nation—inalienably and imprescriptibly.

The present victims are the producers of one of the most useful products in the world. The oil industry has its place in the front rank of those that are essential. Furthermore, the companies here affected are not of any particular group. They are owned by American stockholders, thousands in number, including men, women, and children. Their operations in Mexico have been conducted by pioneers of the kind that all Americans admire. Many of these pioneers have been murdered while peacefully pursuing their lawful vocations in these oil fields. This part of the price that has been paid should give the case importance even in the eyes of those who would not fight in the defense of mere property rights. But it is not that element of the case that the companies invoke, for they believe that every American who is worthy of deliverance from Bolshevism considers life and liberty themselves of little value except for the guaranties of civilization that go with them, conspicuous among which is the right to acquire and enjoy property as the reward for human effort.

The companies, or many of them, are exporting oil from Mexico and importing the greater portion to the United States, where it is much needed at the present time. They have made large expenditures and have incurred large contractual obligations in anticipation of the development and production of these Mexican properties. Recently their wells in parts of the southern Mexico field have failed very rapidly, going to salt water. The new wells were necessary to meet this contingency. As their old wells cease to produce their business comes to an end. One large company already has reached the point where it no longer has any of this crude for export to the United States or elsewhere. Stress of this kind can not be endured indefinitely.

A claim for damages would be worthless. There could be no ascertainment of the real damages, and the collection would be no less a problem.

The companies appeal to Congress, as they are appealing to the State Department. They ask for protection.

It may not be inappropriate, in conclusion, to advert further but briefly to certain aspects of the matter that extend beyond the commercial interests of the companies. Shipments of oil from Mexico to the United States are now at least 60,000,000 barrels per annum. While some of this goes into light products, a very large part of it is used as fuel. It goes to supply our Navy, the Shipping Board, the Railroad Administration, and hundreds of industries which formerly used coal. These industries can not get coal at this time, and if they are unable to get oil they must shut down. A comparatively small percentage of crude oil produced in this country goes into fuel oil or is suitable for that purpose. If this Mexican supply is cut off or diminished, as certainly will be the case if the companies are not allowed to drill new wells as old wells fail, it will be keenly felt in the United States; adequate supplies of fuel oil will not be available at any price. Therefore if it should fail to protect its citizens abroad our Government by the same failure would bring about unwarranted injury to itself and its citizens at home.

Southern Oil and Transport Corporation, by C. H. Rathbone, vice president; Huasteca Petroleum Co., R. W. Daniels, assistant secretary; The Texas Co., by Ames L. Beatty, general counsel; Chicocillo Petroleum Co., by R. W. Crawford, president; English Oil Co., W. B. Lewis, secretary; Island Oil & Transport Corporation, Julian Perry, vice president; Cia. Transcontinental de Petroleo, by C. O. Swain, general counsel; The National Oil Co. of New Jersey, Guy Evan Alstyne, secretary; Newborg & Co., for Tamalin Petroleum Co., South America, and Tancochin Petroleum Co., South America, by W. L. Hemstadt; Azadon Corporation, by W. L. Hemstadt, president; Malcolm C. Anderson, Panuco Fuel Oil Corporation, Seaboard Fuel Oil Co., South America, Soledad Oil Corporation, by Edward Schwartz, counsel; Panuco-Boston Oil Co., D. Jurell Williams, president; New England Fuel Oil Co., Azteca Petroleum Co., by George C. Green, general counsel; Cortez Oil Corporation, Charles B. Goldchanough, treasurer; Indiana-Mexican Co., by Frank H. Hitchcock; Freeport & Mexican Fuel Oil Corporation, by A. E. Watts, president; Mexican Sinclair Petroleum Corporation, by A. E. Watts, president; Doheny & Bridge; Mexican Seaboard Oil Co., F. N. Watriss, vice president; Continental Mexican Petroleum Co., F. N. Watriss, attorney; Mexican Gulf Oil Co., by William T. Wallace, vice president."

MINISTER TO FINLAND.

Mr. LODGE, from the Committee on Foreign Relations, to which was referred the bill (S. 2690) authorizing the appointment of a minister to Finland, reported it with amendments.

EXTENSION OF PASSPORT CONTROL.

Mr. LODGE. I ask unanimous consent that the joint resolution which I send to the desk, and which is reported unanimously from the Committee on Foreign Relations, may be now considered. It is a very brief measure. It simply makes a certain appropriation available at this time, and it ought to be passed at once.

The VICE PRESIDENT. The Secretary will read the joint resolution.

The joint resolution (S. J. Res. 131) making immediately available the appropriation for the expenses of regulating further the entry of aliens into the United States was read, as follows:

Resolved, etc., That so much of the sum of \$600,000 appropriated by section 4 of the act of October 29, 1919, entitled "An act to regulate further the entry of aliens into the United States," as may be necessary is hereby made immediately available for expenses of regulating entry into the United States, in accordance with the provisions of the act approved May 22, 1918.

The VICE PRESIDENT. Is there any objection to the present consideration of the joint resolution?

Mr. FRANCE. I was unable to hear the reading of the joint resolution.

Mr. LODGE. I will state to the Senator from Maryland what it is. We passed a bill carrying an appropriation of \$600,000 for the purpose of regulating the entry of aliens, and it ought to be made available at once. The other appropriation is exhausted, and this one ought to be available at once.

The VICE PRESIDENT. Is there any objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution.

Mr. JONES of Washington. Mr. President, I should like to ask the Senator if the appropriation of \$2,450,000 carried in the sundry civil bill for the enforcement of the immigration laws, and so forth, is exhausted?

Mr. LODGE. This joint resolution has nothing to do with that appropriation.

Mr. JONES of Washington. This amount of \$2,450,000 is for the enforcement of the laws regulating the immigration of aliens into the United States—the contract-labor law, and so forth.

Mr. LODGE. This is not for the Bureau of Immigration.

Mr. JONES of Washington. It is for the Immigration Service, Department of Labor.

Mr. LODGE. This is not for the Immigration Service, Department of Labor. This is a measure in regard to the issuance of passports by the Department of State. It has nothing to do with that appropriation. It has already been made.

Mr. JONES of Washington. The act that carries the \$600,000 is entitled "An act to regulate further the entry of aliens into the United States."

Mr. LODGE. Yes; but it does not come under the Bureau of Immigration. It has nothing to do with that. It is a bill that was passed by both Houses and became a law in October last, and it carries an appropriation of \$600,000.

Mr. JONES of Washington. Oh, yes; I have the act here.

Mr. LODGE. The appropriation has been made. Owing to the delay in the proclamation of peace, it has become essential to the department to have some of the money available now. This merely makes an existing appropriation available.

Mr. NELSON. Mr. President, if the Senator will allow me, we have extended the passport law in regard to the admission of foreigners into this country. The passport law was only to remain in force during the war, but we have lately passed in the Senate a bill continuing it.

Mr. LODGE. Absolutely.

Mr. NELSON. And this fund is to be used for that purpose.

Mr. LODGE. It is the only method we have of keeping out certain undesirable aliens.

Mr. JONES of Washington. I have copies of all these acts here, but I simply wanted to call attention to the fact that we have an abundance of money to enforce the laws that we have. The difficulty seems to be that the administration will not enforce the laws that we put upon the statute books. I am not going to interfere with the passage of the Senator's joint resolution. I am just calling attention to the situation.

Mr. LODGE. I think, however, that the Senator misunderstood it. When that appropriation was made, this law was not in existence.

Mr. JONES of Washington. Oh, yes; this law was.

Mr. LODGE. No; it was not in existence.

Mr. JONES of Washington. The sundry civil bill was approved July 19, 1919, and the \$600,000—

Mr. LODGE. And the bill carrying this appropriation was approved October 29, 1919.

Mr. JONES of Washington. But the original act was passed in 1918.

Mr. LODGE. No, no; this special act was approved October 29, 1919.

Mr. KING. Mr. President, if the Senator will permit me, the Senator from Massachusetts is in error, I think. There was an act passed, as the Senator states, during the war.

Mr. LODGE. Certainly there was. I know that.

Mr. KING. And we continued that in force for another year.

Mr. LODGE. We continued that act, and in order to carry it out we appropriated \$600,000. All that this joint resolution proposes is to make available now that money which they need for the enforcement of that particular act.

Mr. KING. I understand; but the Senator, I think, was in error in stating that this was a new statute, or in substance he stated that.

Mr. LODGE. It is a new statute, approved the 29th of October, 1919.

Mr. KING. It is a continuation of an existing law.

Mr. JONES of Washington. I am not going to interfere with the passage of the Senator's joint resolution; but I want to call attention to the fact that in the sundry civil bill of 1919 we appropriated \$2,450,000 for the enforcement of the immigration laws that can be used for the deportation of aliens, and so forth, and that in the deficiency act of November 4, 1919, we appropriated \$200,000 more for the Department of Justice to use in the deportation of aliens, and there was also available for the Department of Labor an additional amount of \$263,000 for the deportation of aliens.

Mr. LODGE. Now, if the Senator will allow me—

Mr. JONES of Washington. If the Senator will just wait a minute, I shall be glad to have \$600,000 made available for the use of the Department of State, but I hope that department will proceed a little bit more energetically and a little bit more actively than the Department of Labor has proceeded under the appropriations that we have made for it.

Mr. LODGE. So do I.

Mr. JONES of Washington. I am glad to make the money available for the State Department.

Mr. KING. Mr. President—

Mr. LODGE. One moment, if the Senator pleases. This joint resolution has nothing whatever to do with deportation. It relates solely to the entry of aliens. It is to prevent the entry of certain aliens by means of the passport system. That is all it proposes.

Mr. JONES of Washington. I hope they will enforce that act with that money better and more promptly than the Department of Labor has done.

Mr. LODGE. So do I. That is the reason why they are asking that the money be made available, so that they may enforce it.

Mr. KING. I hope the Senator from Washington will join with me in having enacted into law a bill which I had the honor to introduce a few days ago, which takes away from the Department of Labor the enforcement of the deportation statute and places it under the head of some other department of the Government, because I agree with the Senator that the Department of Labor has been derelict in its duty.

Mr. JONES of Washington. Yes; if the Senator can find a department that will assure us that it will act more promptly, I will heartily support the measure.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS.

Mr. CALDER, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate resolution 253, submitted by Mr. FERNALD on the 9th instant, reported it favorably without amendment, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That the resolution of the Senate No. 97, agreed to July 1, 1919, authorizing the Committee on Public Buildings and Grounds of the Senate, or any subcommittee thereof, to send for persons, books, and papers, and to report such hearings as may be had in connection with any subject which may be before said committee, or any subcommittee thereof, be, and the same is hereby, amended to empower said committee to sit and act at such time and place as it may deem necessary; the expenses of travel incident to the sessions of said committee, or any subcommittee thereof, to be paid from the contingent fund of the Senate.

BILLS INTRODUCED.

Bills were introduced, read the first time, and by unanimous consent the second time, and referred as follows:

By Mr. HARRISON:

A bill (S. 3509) granting the consent of Congress to Marion County, State of Mississippi, to construct a bridge across the Pearl River, in Marion County, State of Mississippi; to the Committee on Commerce.

A bill (S. 3510) authorizing the Secretary of War to donate to the city of Amory, Miss., one German cannon or fieldpiece; to the Committee on Military Affairs.

By Mr. NELSON:

A bill (S. 3511) granting a pension to Charles M. Woodworth; to the Committee on Pensions.

By Mr. HALE:

A bill (S. 3512) granting a pension to Flora A. Winchester (with accompanying papers); to the Committee on Pensions.

AMENDMENT TO RAILROAD-CONTROL BILL.

Mr. STANLEY submitted an amendment intended to be proposed by him to the bill (S. 3288) further to regulate commerce among the States and with foreign nations and to amend an act entitled "An act to regulate commerce," approved February 4, 1887, as amended, which was ordered to lie on the table and be printed.

AMENDMENT OF THE RULES.

Mr. KNOX. I present and ask to have read a resolution on a purely formal matter, and I ask unanimous consent for its present consideration. After it has been read, I will explain its purpose in a few words.

The VICE PRESIDENT. The Secretary will read as requested.

The Secretary read as follows:

Resolved, That the Standing Rules of the Senate be amended by inserting in Rule XXXIV, paragraph 2, line 3, after the word "restaurant," the following: "and the Senate Office Building," so that the rules as amended will comply with the provisions of Senate resolution 291, adopted by the Senate on February 17, 1909.

Mr. KNOX. Mr. President, the explanation of the resolution is this:

On February 17, 1909—CONGRESSIONAL RECORD, volume 43, part 3, Sixtieth Congress, second session, RECORD page 2564—the Senate passed the following resolution, submitted by Mr. Cullom:

Resolved, That on and after the 4th day of March, 1909, the jurisdiction and functions of the Committee on Rules, United States Senate, hitherto exercised in connection with the Senate wing of the Capitol, be, and the same are hereby, extended to cover in like manner jurisdiction over the Senate Office Building; and on and after the 4th day of March, 1909, said committee is hereby authorized and directed to proceed with the assignment of rooms in the Senate Office Building for the use of Senators.

Ever since the passage of that resolution the Senate Committee on Rules has exercised the jurisdiction provided for in the resolution; but the rules themselves have never been amended in order to make them comply with the resolution, and that is the purpose of the resolution that I have just offered.

Mr. KING. Mr. President, as I understand the Senator, the resolution does not extend the jurisdiction of the committee or increase its power over the assignment of rooms?

Mr. KNOX. Not at all. The jurisdiction of the committee was extended to the Senate Office Building by the resolution I have just read, passed in 1900, and has been exercised ever since. This is only to amend the rules of the Senate to comply with the resolution.

The VICE PRESIDENT. This is to be understood as a notice of intention to amend the rules, is it?

Mr. KNOX. I asked unanimous consent for its present consideration, if that is proper under the rule.

Mr. JONES of Washington. Mr. President, I think we had better comply with the rule with reference to giving notice of proposed amendments to the rules.

Mr. KNOX. Very well. Let it be considered, then, as a notice of a proposed amendment of the rules, and I will formally submit the resolution to-morrow.

LAND IN WATERVILLE, ME.

The VICE PRESIDENT. The morning business is closed.

Mr. FERNALD. Mr. President, I ask for the present consideration of the bill (S. 3187) to dispose of a certain strip of public land in Waterville, Me. There is a little piece of land in Waterville on the post-office lot. The department has drawn a bill permitting the sale or lease of the land, and I ask unanimous consent to take the bill from the calendar.

The VICE PRESIDENT. Is there objection?

There being no objection, the bill was considered as in Committee of the Whole, and it was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized, in his discretion, to sell to the owner of the abutting land, for cash, the strip of land fronting 10 feet on the southeasterly side of Elm Street and extending, of that width, southeasterly along the southwesterly side of the Federal building site in Waterville, Me., a distance of 122 feet 4½ inches, more or less, at a price not less than the pro rata square-foot cost of the land paid by the United States, which strip is not needed by the Government; to convey said land to the purchaser by the usual quit-claim deed, and to deposit the proceeds of such sale in the Treasury of the United States as a miscellaneous receipt. Or the Secretary of the Treasury may, in his discretion, grant said owner an easement in perpetuity in said strip of land for driveway purposes, charging therefor such sum as the Secretary of the Treasury deems just and reasonable.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

SUGAR EQUALIZATION BOARD.

Mr. McNARY. I move that the Senate proceed to the consideration of the bill (S. 3284) to provide for the national welfare by continuing the United States Sugar Equalization Board until December 31, 1920, and for other purposes.

Mr. GAY. Mr. President, I suggest the absence of a quorum. The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	France	Lodge	Shields
Ball	Gay	McCormick	Smith, Md.
Bankhead	Hale	McKellar	Smith, S. C.
Beckham	Harding	McLean	Spencer
Borah	Harrison	McNary	Stanley
Brandeggee	Johnson, Calif.	Moses	Sterling
Capper	Johnson, S. Dak.	Nelson	Sutherland
Chamberlain	Jones, N. Mex.	Norris	Thomas
Colt	Jones, Wash.	Page	Trammell
Culberson	Kenyon	Phipps	Underwood
Cummins	Keyes	Pomerene	Wadsworth
Dial	King	Ransdell	Walsh, Mont.
Elkins	Kirby	Sheppard	Wolcott
Fernald	La Follette	Sherman	

The VICE PRESIDENT. Fifty-five Senators have answered to the roll call. There is a quorum present. The Senator from Oregon moves that the Senate proceed to the consideration of Senate bill 3284.

Mr. STERLING. Mr. President, there is another bill—

The VICE PRESIDENT. The bill can not be discussed. The motion has to be put.

Mr. STERLING. I simply wanted to make a statement. I do not want to discuss the bill. I wish to call the attention of the Senate to the reason why I do not move a substitute for the motion of the Senator from Oregon [Mr. McNARY].

Mr. KING. I suggest to the distinguished Senator from South Dakota that we proceed with the motion of the Senator from Oregon. I agree with the Senator that the sedition bill which has been under consideration ought to be taken up, but we can take that up when we get the other out of the road.

Mr. STERLING. I wanted to speak about the urgent need of the passage of that bill, realizing, too, that the sugar bill, to which the Senator from Oregon has called attention and the consideration of which he has moved, is an important measure. I had thought at first that I would move a substitute, but I shall not do that.

The VICE PRESIDENT. That can not be done. The question is on the motion of the Senator from Oregon, that the Senate proceed to the consideration of Senate bill 3284.

Mr. GAY. On the motion of the Senator from Oregon, I ask for the yeas and nays.

The yeas and nays were not ordered.

The VICE PRESIDENT. The question is on the motion of the Senator from Oregon.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 3284) to provide for the national welfare by continuing the United States Sugar Equalization Board until December 31, 1920, and for other purposes, which had been reported from the Committee on Agriculture and Forestry with amendments.

The amendments were, on page 1, line 3, after the word "authorized," to strike out the words "and directed"; on page 2, line 1, after the word "securing," at the end of the line, to insert a comma and the words "if found necessary for the public good"; on line 3, after the word "sugar," to strike out the word "for," and insert the words "at a fair and reasonable price to"; on line 5, after the word "States," to strike out the words "substantially similar to those employed by the corporation for the year ending December 31, 1919"; and on line 14, after the numerals "1917," to insert a colon and the following proviso: "And provided further, That the provisions of this act shall expire as to the domestic product September 30, 1920," so as to make the bill read:

Be it enacted, etc., That the President is authorized to continue during the year ending December 31, 1920, the United States Sugar Equalization Board (Inc.), a corporation organized under the laws of the State of Delaware, and to vote or use the stock in such corporation held by him for the benefit of the United States, or otherwise exercise his control over the corporation and its directors, in such a manner as to authorize and require them to adopt and carry out until December 31, 1920, plans and methods of securing, if found necessary for the public good, an adequate supply at a reasonable price and an equitable distribution of sugar at a fair and reasonable price to the people of the United States: *Provided*, That after the passage of this act neither the President nor the corporation shall have or exercise, either directly or indirectly, with respect to raw or refined sugar, sirups, or molasses, any of the powers conferred upon the President by section 5 of an act entitled "An act to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel," approved August 10, 1917: *And provided further*, That the provisions of this act shall expire as to the domestic product September 30, 1920.

The amendments were agreed to.

The PRESIDING OFFICER (Mr. STERLING in the chair). The bill is in Committee of the Whole and open to further amendment.

Mr. McNARY. Mr. President, I shall speak but briefly to the measure, in the hope that some action may be taken upon it by the Senate during the morning hour.

I think it is unnecessary for me to say that the sugar situation is critical and cruel and must be corrected. Senators will observe that this proposed legislation simply authorizes the United States Sugar Equalization Board to acquire raw sugars. It does not contain a license provision, such as is to be found in the Lever Act, and which was thought by some to be objectionable. It was the judgment of the Senate Committee on Agriculture and Forestry that the license feature was not necessary to correct conditions that now obtain with respect to the sugar shortage.

Mr. President, I think it might be the part of wisdom for me briefly to refer to legislation that Congress has passed concerning this subject before proceeding to discuss other features of the pending bill.

It will be recalled that in the summer of 1917 Congress passed what was known as the food-control bill, or more generally known as the Lever bill. That measure authorized, among other things, the control of food products and the licensing of those engaged in the manufacture or sale of commodities or products.

Shortly after the enactment of the bill the President of the United States appointed Mr. Herbert C. Hoover administrator to carry into execution the terms and provisions of the measure.

During July, 1917, it appeared to the Food Administrator that there was a shortage of sugar. Attention to that condition was called to the President by Mr. Hoover.

In the latter part of July, 1918, the President, after receiving this information, promulgated an order creating the United States Sugar Equalization Board, composed of eight representative citizens of the country. In order presumably to protect themselves from personal liability, this board did not act under the promulgation order, but incorporated under the laws of the State of Delaware. The capital stock was \$5,000,000, furnished out of the President's emergency fund. The President was the sole stockholder. He elected the directorate. There is a provision in the charter that the stockholders could remove the directors at any time.

Following the incorporation under the laws of the State of Delaware, the President, as the sole stockholder of the corporation, directed the Sugar Equalization Board, then acting as a corporation, to acquire raw sugar. I want the Senate to keep in mind that the board was not acting in a legislative capacity, but in a corporate capacity.

In obedience to the order of the President the Food Administration entered into a voluntary agreement with the cane-sugar producers of Louisiana and the beet-sugar producers in the West whereby these raw sugars for the year 1919 were acquired on terms to be subsequently fixed by the Food Administrator. Later on, in compliance with this contract, the cane-sugar growers of Louisiana and the beet-sugar growers of the West, particularly in the States of California, Utah, Idaho, and Colorado, agreed to sell the refined sugar f. o. b. at 9 cents a pound.

The Sugar Equalization Board then entered the Cuban market, where cane sugar is produced and which is the great reservoir from which we obtain large quantities of our sugar. This unrefined sugar was purchased at 5.5 cents a pound, or \$5.50 per hundred pounds. Agreement was made with the refiners that they should refine the sugar for \$1.54 per hundred pounds. The duty was \$1 per hundred pounds from Cuba. The freight was approximately 38½ cents per hundred pounds, and 38 cents per hundred pounds were retained by the board to defray the cost of administration of the law.

Agreement was made with the refiners that they would sell the refined granulated sugar at 9 cents. It was also determined by an order of the United States Sugar Equalization Board that the brokers should receive about one-fourth of 1 cent per pound for handling this product and the retailers should receive 1 cent per pound, or figures of approximately that amount, which brought the price of the refined sugar to the consumer at practically 10 cents a pound throughout the country.

This scheme worked very well. There was a plenitude of sugar last fall and the spring just behind us, and the consumers were getting a normal supply at a reasonable rate. For some reason unknown to the committee the Sugar Equalization Board in January of this year canceled this order which fixed the price to the consumer at practically 10 cents—that is, they removed the charge that the broker might exact from the retailer and the retailer from the public, leaving, however, the charge to the refiner of 9 cents per pound less 33 cents per hundred pounds retained by the board.

Some time later and during the spring of the present year it was discovered that there was a slowing up in the flow of sugar to the consumer. In July of the present year Mr. George A. Zabriskie, who is president of the Sugar Equalization Board, first noticed a visible shortage. In the summer of 1919, as I say, the shortage was observed by the board and an effort was made to correct the condition. There was plenty of available raw sugar, but it was found that the marine strike along the harbor of the city of New York had prevented shipment of raw sugar from Cuba to the refiners located in the cities of New York and Philadelphia. This strike condition existed for about 30 days. Following that and along in the early part of September the normal flow of sugar from Cuba to the United States was established. The flow of sugar from Cuba, which is about 80,000 tons a month, was restored, but the shortage still continued.

Mr. GAY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Louisiana?

Mr. McNARY. I yield.

Mr. GAY. I wish to ask the Senator from Oregon if it is not a fact that there was a great deal of sugar held up in the ports throughout this country, particularly New York, at the time of the longshoremen's strike? Does he know how much sugar was tied up at that time, and is it not his opinion that that affected the shortage very much?

Mr. McNARY. Mr. President, I stated a moment ago that when the shortage became visible in July one of the contributing causes was the marine strike in the State of New York, which prevented the flow of sugar from Cuba, and there may have been some stored in the warehouses. The refiners were busy and refined promptly all the sugar that was brought to them, their capacity being about 80,000 tons a month. That is only one of the contributing causes to the shortage; but, in my opinion, the real cause was a psychological one and that cause is this: It was known generally, or at least becoming known, that we had not acquired the 1920 Cuban crop and that without the Cuban crop there was certain to be a shortage. I think we all know as an economic proposition that an anticipated shortage is an actual shortage. It caused hoarding and storing up in bins—

Mr. POMERENE. And increased prices.

Mr. McNARY. And consequently an increase in price, as suggested by the Senator from Ohio.

At this juncture the Sugar Equalization Board notified the President of the true and yet unhappy condition. At this point I wish to state that while this is perhaps a short digression, yet it fits within the brief statement I wish to make. Attention to the shortage was not called to Congress, but was called to the President by the Sugar Equalization Board, and I have here a statement clipped from the Washington Evening Star of October 31 of the present year, which gives color to many statements that have been made, including one from the Attorney General. It is a misstatement, perhaps not intentional, but so in fact. I read:

Responsibility for the present condition, as well as for that which is expected to arise with the going out of existence of the Sugar Equalization Board, is placed by these men directly with Congress. Failure of that body to authorize the Sugar Equalization Board to buy the Cuban raw sugar crop when such authorization was asked last June, and refusal thus far to provide for continuance of the board, these men declare, are directly and solely responsible for the present condition, and will be the cause of the condition expected to arise after January 1.

That is a statement which I am informed has been reiterated by the Attorney General. No request was ever made to Congress for legislation. Indeed no legislation was necessary.

It was not until some time in the month of September of the present year that the junior Senator from Indiana [Mr. NEW]

directed the attention of this body to the sugar shortage and the possibility of exorbitant prices that would be charged to consumers during the present winter and the spring to come.

The Sugar Equalization Board met and passed resolutions which was transmitted to the President. This action of the board was taken some time in August of the present year and was a response to a letter received from the accredited representatives of the Cuban sugar growers of Cuba. As part of my remarks, I should be obliged if the Secretary would read at this time the communication to which I have just referred.

The PRESIDING OFFICER. The Secretary will read as requested.

The Secretary read as follows:

GEORGE A. ZABRISKIE,
President Equalization Board,
112 Wall Street, New York City.

DEAR SIR: In pursuance of the informal discussions conducted between the subscribers, speaking by authority for the Cuban Government, the members of the equalization board, as the purchasers and distributors of Cuba's sugar crop for the existing year, we deem it expedient to submit for your information, and as far as you may determine, for your action in continuing the control and disposition of Cuba's crop of sugar for the ensuing year 1920.

In presenting our suggestions, while acting directly for the Cuban sugar producer, we accept the grave responsibility of speaking scarcely less for the American consumer, and for that vast army of foreign consumers whose needs are of such concern to the American Government.

Fortunately for every interest involved the great bulk of sugar required by importing countries is provided by the island of Cuba—but she takes no note of this "coin of vantage"—on the other hand, the island Republic, its hacendados and farmers, and manufacturers of sugar tender through its own Government, providing it meets with the consent and cooperation of the American Government, the entire wealth of her production under such terms as may be agreed upon by the contracting parties at a price moderate, but compensating to the producer and well within the economic reach of the consumer.

This is the fundamental basis upon which our tender is made. If accepted through the continued life and active participation of your respected board, or similar body, the whole question would be greatly simplified. If, on the contrary, the opportunity to serve, not the American people alone but the universal welfare, is for any reason, technical or otherwise, not availed of through one medium or another, there is not a community anywhere in America, in Europe, or Asia that will not feel the consequences of our failure to provide a stable price for this most necessary article of human consumption.

Cuba approaches this question with full recognition of her relations to the American people and their Government and in the spirit of comity and desire for a complete understanding.

We await with unflagging interest your reply, the subject of which we are assured is to you, as it is to us, the most momentous in the world's economy of to-day.

With assurances of great respect,
Faithfully, yours,

R. B. HAWLEY.
MANUEL RIONDA.

Mr. McNARY. Mr. President, the letter just read at the desk was received by Mr. Zabriskie, the president of the Sugar Equalization Board, on the 29th day of July. Without great delay, on the 14th of August, 1919, the letter was transmitted to the President, and with that, as a companion, was a memorandum prepared by seven of the eight members of the equalization board advising the President of the propriety and advisability of buying the Cuban sugar crop. I should like to have this memorandum in the RECORD, though I shall not read it now.

The PRESIDING OFFICER. Without objection, it will be printed in the RECORD.

Mr. GAY. I think it ought to be read. I think we are entitled to know what it is.

Mr. McNARY. Then I recall it. I do not care to take the time which would be required to read it. I will simply repeat, Mr. President, that seven of the members of the board out of the eight advised the President to acquire the Cuban sugar crop, and set forth very substantial reasons for that advice. If anyone desires to follow up that statement to see if my remarks are confirmed I refer him to the sugar-shortage hearings, which were had before the subcommittee of the Senate pursuant to Senate resolution 197.

The letter and memorandum of the 14th of August reached the President, and its receipt was acknowledged by him two days later, on August 16.

Now, in fairness to the board and to the statement made by the junior Senator from Louisiana [Mr. GAY] a few days ago, I will say that it is true that Dr. Taussig, a scholarly gentleman, filed a minority report, wherein he stated that he thought the supply of sugar from Cuba would answer the demands of the public if the law of supply and demand were permitted to take its usual course. Unfortunately, in my opinion, the President followed the advice of Dr. Taussig as against the advice of the board, and no action was taken by the President.

Again, on the 20th day of September, more than five weeks later, Mr. Zabriskie, president of the Sugar Equalization Board, sent a letter to the President, which I ask the Secretary to read.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

The Secretary read as follows:

The PRESIDENT OF THE UNITED STATES,
Washington, D. C.

SEPTEMBER 20, 1919.

MY DEAR MR. PRESIDENT: Referring now to my letter to you of the 14th day of August inclosing the report from the board of directors of the United States Sugar Equalization Board (Inc.), and also referring to you a letter from the representatives of the Cuban Government and producers of sugar, in reference to the Cuban crop of raw sugars for the year 1919-20, I desire to respectfully bring to your attention the fact that the time is fast approaching, if it has not arrived, when we will be unable to control the Cuban crop of sugar for the year 1919-20 unless action is taken at once.

I am informed that a considerable tonnage of Cuban sugars of the crop of 1919-20 has already been sold, and it seems entirely probable that the representatives of the Cuban sugar will withdraw their proposition unless some action is taken at once.

May I, therefore, respectfully ask an early determination of the policy which the United States Sugar Equalization Board (Inc.) is to pursue with reference to the matter referred to in my letter of the 14th day of August. I know the pressure you are under, and nothing but imperative necessity could make me add this matter to your burdens.

Very respectfully,

GEORGE A. ZABRISKIE, President.

Mr. McNARY. Mr. President, it plainly appears that the Sugar Equalization Board saw the urgency of the President taking action, which had been delayed for several months, and so expressed itself in its communication. On the 22d day of September—the day following but one—the following letter was received by Mr. Zabriskie:

THE WHITE HOUSE,
Washington, September 22, 1919.

MY DEAR SIR: Allow me to acknowledge the receipt of your letter of September 20—

That is the letter just read—

and to say that I shall bring it to the attention of the President at the first favorable opportunity.

Sincerely, yours,

RUDOLPH FORSTER,
Executive Secretary.

Mr. GEORGE A. ZABRISKIE,
President United States Sugar Equalization Board (Inc.),
112 Wall Street, New York City.

So, evidently the communication setting forth the necessity of acquiring this crop in order that we might have a normal supply of sugar was brought to the attention of the President; at least it was conveyed to him. Congress had not yet been apprised of the sugar shortage; no one had been found in the country to say that the law was not ample. The board was incorporated under the Lever bill, which is still in existence. No question was raised as to the authority of the board to act. All they were wanting the President to do was to authorize the board of directors to acquire the Cuban crop.

I do not know the reason why the President did not take this action. It is unfortunate that he did not act; but possibly it was due to his confidence in the judgment of this scholarly gentleman, Dr. Taussig. In any event, however, a serious and vital mistake was made.

Mr. HARRISON. Mr. President, will the Senator from Oregon yield for a question?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Mississippi?

Mr. McNARY. I am very happy to do so.

Mr. HARRISON. Is it not also true that Mr. Glasgow, attorney for the Sugar Equalization Board, in his testimony before the Agricultural Committee stated that it was necessary for Congress to adopt a policy? In other words, that they would not have purchased the Cuban crop of sugar, even though the President had suggested it, without the sanction of Congress?

Mr. McNARY. I will say to the Senator from Mississippi that I can not answer his question directly, but I recall that Judge Glasgow intimated that it would require congressional action, for the reason, as I think he remarked, that the President had failed to employ the power given him under the Lever food-control bill.

Mr. HARRISON. Will the Senator yield until I refresh his memory as to what Mr. Glasgow stated?

Mr. McNARY. I will yield, though I think I am quite conversant with the testimony.

Mr. HARRISON. I read from the hearings, on page 108. The Senator from Nebraska [Mr. NORRIS] asked this question:

Senator NORRIS. If the President had authorized you, would you have done it?

Speaking of the purchase of the Cuban sugar crop.

Mr. GLASGOW. No, sir; not until Congress had given us the powers and they thought it proper. It would come back at last to the discretion of Congress as to whether they desired the distribution of sugar continued.

In response to that the chairman of the Agricultural Committee, the Senator from North Dakota [Mr. GRONNA], said:

The CHAIRMAN. You said something that I think ought to be framed in a gold frame, to the effect that you did not feel like acting until Congress had its say.

Mr. McNARY. I thank the Senator from Mississippi for calling my attention to the testimony. I think I have it very vividly in mind and I recall the statement which he has read; but the statement does not bear the construction which the Senator has placed upon it, for the Lever bill is still in existence, and the board never asked Congress for any legislation. The reason Mr. Glasgow made that remark—and it should be taken in connection with his entire testimony and the existing situation—was that if the war ended and the treaty of peace were ratified, it was thought that under its terms the Lever bill would cease to exist, and he was speaking about legislation which was necessary and designed to carry over the Sugar Equalization Board during the year 1920. That is the answer to the proposition, but in no way does it excuse the President for not advising and directing the Sugar Equalization Board to buy the Cuban crop. I do not mean to stand here and censure the President for a willful act; but I say that he committed a grave error, and the responsibility rests on him, and on him alone, and not on Congress. That is the point I wish to make.

Mr. GAY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Louisiana?

Mr. McNARY. I yield for a question.

Mr. GAY. Did not the Sugar Equalization Board have the power to buy the crop of 1920 without any authorization from Congress or any advice from the President?

Mr. McNARY. In connection with that I think we must take into consideration the fact that they were acting as a corporation incorporated under the laws of the State of Delaware, in which corporation the President held all the stock, and the stock had to be voted in order to authorize the board of directors to perform the function of acquiring the crop of sugar. They were not acting as the Sugar Equalization Board in a legislative capacity. If you will bear the distinction in mind between the corporate capacity of this board and its legislative capacity, you can see the necessity and needfulness of the President authorizing the board to acquire the sugar crop.

Mr. GAY. Just one other question, if the Senator will be kind enough to yield.

Mr. McNARY. I yield for a question, but I wish to speed along.

Mr. GAY. I understand the board of directors of the Sugar Equalization Board were reelected in June, and that under their charter they have full power to act without any advice from the President?

Mr. McNARY. Mr. President, I shall hurry on, as I hope to finish this discussion in a very few moments. I have attempted in a few words to fix the responsibility on the President for the situation. That is history. What we must do now, in my opinion, is to enact some legislation on account of the inertia of those who should have enforced and invoked the provisions of the Lever bill. Therefore, I introduced Senate bill 3284, in order that the Sugar Equalization Board in its legislative capacity might be authorized to acquire sugar. That bill was introduced in Congress during the lengthy discussion on the peace treaty. Several times members of the committee sought to get the bill before the Senate, but that required unanimous consent, and, as there was some opposition to the bill, we were unsuccessful. At this time, however, I hope we may reach a determination of the measure.

The question naturally rises whether it is too late to do any good. That brings to me the duty of expression of opinion. A few days ago I attempted to make a survey of the sugar situation. I think I may state that all the raw sugars of the Hawaiian Islands have been purchased by two refiners in California. The beet sugar, perhaps in a large way, has moved to the consuming public, and the cane sugar of Louisiana has partially reached the public; but we must go back to the great sugar reservoir of Cuba. From the survey made by me a few days ago—and for my authority I will give the name of Mr. John H. Wilkins, a large wholesale grocer of this city, who was at one time connected with the Food Administration—it appears that about 750,000 tons of sugar of the Cuban crop of 1920 has been purchased by foreign governments; a like amount, 750,000 additional tons, has been acquired by refiners and speculators in this country, leaving probably 3,000,000 tons undisposed of in Cuba. If those figures are correct, there is no question in my mind that even now we can go into the Cuban market and acquire sugar which will give us a plenitude of this essential product during the season of 1920.

Mr. POMERENE. At what price?

Mr. McNARY. I will reach that later, but at this time I will say that I think by the control we would have over the sugar situation we could get it at a considerably less price than now

obtains, which is about 13½ cents. I hope, however, to discuss that briefly in a moment.

Last year we purchased the whole of the Cuban crop, which was 4,000,000 tons. One-third of that quantity we allowed to pass into the hands of the royal British commission, which disposed of its holdings to Great Britain, to Italy, and to France. We took about 3,000,000 tons, the amount which I think is in Cuba now. That was the fund we used in 1919 and former years; and an equal amount of sugar we can use this year, which will carry us over the present shortage and bring us back to a safe basis and a normal flow of sugar.

Mr. President, this country uses normally about 4,000,000 tons of sugar per annum. This year the consumption may go to 4,500,000 tons. During the war, by a rationing process, our consumption was cut down to 75 pounds per capita. In the days before the war it was 84 pounds. This year it will be practically 93 pounds to an individual. The principal cause for that, if that is a pertinent matter in this connection, is national prohibition. As all observers must remark, when alcoholic beverages are taken away from the average individual accustomed to consuming them it creates a tremendous appetite for sugar, for ice cream, candy, soda water, and all other articles of which sugar is a part. Also it is known that sugar is a great energizing food, and when men who work hard and earn large salaries are in a position to acquire sugar, the first thing they do for themselves and their families is to go to the confectionery stand and indulge abundantly, and that situation has brought about an enormous consumption of sugar, perhaps 12 or 13 pounds per capita more than ever before in the history of the country.

There is a world shortage of sugar of perhaps 3,000,000 tons. England heretofore has used about the same quantity of sugar per capita as the United States, but they have rationed the people of England now to 52 pounds an individual. If, however, the people in their great desire to return to normal conditions and to feed up their appetites demand the normal supply of sugar, which is about 85 pounds per capita, England must of necessity enter into the Cuban market; and if she enters into the Cuban market and takes the sugar, providing she has the credits, a shortage that has never been anticipated will occur in this country.

Before the war the beet sugars grown in Austria-Hungary, in the Balkan States, and in Germany supplied a great part of the demand in Europe; in fact, these countries had sugar for exportation; but when the armies of Germany invaded France the great refineries of northern France disappeared, the sugar land was given over to raising cereals, and in Austria-Hungary social conditions have been such as to prevent the normal supply of beet sugars being raised, with the result that there is a tremendous shortage in the world. I believe, however, that for 1919 and to-day there is not an actual shortage.

From September 1 until December of this year we had 350,000 tons more sugar available than at any other period in the history of the country. That is the actual fact, as testified by the members of the equalization board; but when it became known all over the country that the President had neglected to buy the Cuban crop and that there was a short crop of cane sugar in this country, perhaps not more than 100,000 tons of the 4,000,000 that we consume, speculation became rife; hoarding was plentiful by everybody—the confectioner, the housewife, the broker, the retailer, and perhaps the refiner—and that situation has brought about the present shortage, in my opinion.

The way to correct it is for the American Government, the strongest financial nation in the world, perhaps the only one capable of buying to a great extent, to go down and acquire the Cuban crop; and when the producers of cane sugar in Cuba find that there is only one market open to them in the world, and that is the American market, they will have to come down in their price to an extent that will give them a fair profit and not a hold-up profit.

Mr. Herbert Hoover said to me some weeks ago, after a careful review of the world sugar situation and the cost of raising the Cuban crop, that tremendous profits would inure to the Cuban producers if they received 6½ cents a pound. We paid them last year at the northern ports 5½ cents. I have been told that some raw sugar has been sold this year as high as 13½ cents. That is the raw sugar, the unrefined product. That is mulcting the American public at a figure that is criminal; and, Mr. President, to realize what this means in the way of a toll upon the American public it is only necessary for me to state that if we consume, and we do consume, more than 4,000,000 tons, an increase of 1 cent a pound means \$80,000,000 to the American public, and an increase of 10 cents a pound means \$800,000,000 to the consuming public of America, a sum nearly equal to the cost of administration of the Government prior to

the war. This statement itself ought to bring to our hearts a desire to pass some legislation corrective, if possible, of the conditions that obtain.

Much might be said upon the necessity of legislation, Mr. President. I hope that some action may be taken to-day that the House may get this bill and pass it; and I sincerely believe, after a careful study of all the conditions that relate to this problem, that if we go into the Cuban market and acquire the sugar the consumer of America will save millions and hundreds of millions of dollars.

Mr. BORAH. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Idaho?

Mr. McNARY. I yield to the Senator.

Mr. BORAH. I do not want to delay the Senator, but he speaks of going into the market and buying the Cuban sugar. Are we in time to do that?

Mr. McNARY. I stated, perhaps when the Senator from Idaho was away, that on a survey that I caused to be made during the last few days I find practically 3,000,000 tons left in Cuba, a sufficient quantity to satisfy the appetites of the American public.

Mr. BORAH. I did not hear that.

Mr. McNARY. A few weeks ago the Attorney General, or some attaché of his office, issued an order holding the beet-sugar people to 10½ cents a pound for raw sugar, which I think has been increased perhaps to 12 cents now, and after what they call an investigation the Louisiana refined sugar was placed at a figure around 18 cents. I do not want to discuss whether 18 cents or 20 cents is sufficient for Louisiana sugar, because it is a very small quantity of sugar, and I think we all want to see that industry protected so far as we can without fleecing the American public. I want to see it grow to be a grand and magnificent institution in the South. However, I can not conceive the philosophy of an economic rule that will permit refined beet sugar to be sold at 11 cents and refined cane sugar at 18 cents when they meet in competition around the common table. No one, however refined of appetite or technical of sight, can distinguish between refined beet sugar and refined cane sugar. They are as much alike as a row of pins. There is absolutely no difference; and when you go into the store, with Louisiana cane sugar at 18 or 19 cents and beet sugar at 11 or 12 cents, what is the situation? There will not be a divorce of those two sugars, because there is a great affinity between them so far as their interests are concerned. And the public likes one as much as the other. The beet-sugar price will immediately go to 18 cents. It is an absurd economic proposition, and I was startled when I saw in the papers the ruling of the Attorney General. If this bill is passed, this absurd inequality will be forgotten, and the Sugar Equalization Board can get this sugar and make a compact with the refiner, the broker, and the retailer for a fair and reasonable price; and I have no doubt, even though somewhat delayed, that great benefit will inure to the consuming public.

Mr. GAY. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Louisiana?

Mr. McNARY. I was about to conclude. I hope that we may proceed with the further consideration of the bill.

Mr. GAY. I should like to ask the Senator a question, if he will be kind enough to answer it. I desire to know how we secured sugar from Cuba prior to the organization of the equalization board? It has always been the great market for the United States.

Mr. McNARY. The Senator knows the answer to that. Before we had the Sugar Equalization Board commercial reasons brought a fair supply to America; but those conditions do not obtain now, and why? Because there is a world shortage and the ordinary law of supply and demand is on the shelf for the present. We have competitors in the Cuban field, in the way of foreign governments, that we never had before. As I stated a few moments ago, the Central European States supplied Europe with sugar and had sugar to export. They have none now. There is a shortage of two or three million tons, and they are about to enter the market, and, in fact and indeed, have done so. That is the difference entirely.

Mr. WALSH of Montana. Mr. President, before the Senator from Oregon takes his seat I should like to ask him a question.

I understood the Senator to say that if this bill were passed, authorizing the equalization board or the equalization corporation to enter the Cuban market, we would then be the only market open to the Cuban grower of sugar; but it occurs to me, from the statement made by the Senator from Oregon, that we would meet there the competition of Great Britain, and that

if the Government of the United States entered that market she would force the Government of Great Britain and the government of almost every other great country needing a sugar supply to enter the market also; and would we not then be competing with those opposing governments in the Cuban market?

Mr. McNARY. No doubt that is true, Mr. President; but I think it is generally conceded that the Cuban would rather have the American dollar than any money that England or any other foreign nation has. The rate of exchange is against the foreign countries in competition with America.

Mr. WALSH of Montana. Exactly.

Mr. McNARY. We can buy it a whole lot cheaper than they can buy it, because we have better security, better credits, and better money.

Mr. WALSH of Montana. Then let me ask the Senator from Oregon whether the American private purchaser would not have exactly the same advantage as against the foreign private purchaser?

Mr. McNARY. There is no question about it.

Mr. WALSH of Montana. How, then, is the situation changed? Is it not a fact, then, that instead of individual purchasers in the United States going into the Cuban market and individual purchasers from Great Britain going into the Cuban market you simply consolidate the purchasers and the one Government bids against the other Government, with exactly the same advantages and disadvantages arising from the rates of exchange?

Mr. McNARY. Oh, I do not think so at all. If you recall the statement made a little while ago from an abstract of an offer made by the Cuban growers, they desire, in order to stabilize prices, to sell in bulk to the American Government. They do not want to deal with the individual speculators of New York and Montana, nor do they desire to deal with the refiner. They want to come together and sell all their raw sugars to this Government, which is their great buyer, as they did last year, and would rather do that, as shown by the evidence here, than to sell to persons here and there, private individuals, or to foreign Governments. So, in my opinion, if we authorize the Sugar Equalization Board to go into Cuba, with the credit of this country back of it, which it would have, and tell those growers, as we did a year ago, that we would take all their sugar and stabilize their price so that there would be no fluctuation in it, we will be able to get all the sugar that is left in Cuba, I have no doubt.

Mr. WALSH of Montana. Mr. President, that is a different reason now assigned by the Senator from Oregon, with reference to which I desire some further information. I have listened very attentively to the Senator from Oregon, and have been enlightened by his discussion of the bill. But I can not quite understand that reason, either. I can not quite understand why the Cuban producer of sugar would not prefer, under the existing circumstances, with the great world shortage, to take the benefit of any higher price that would result from open competition, rather than selling to the Government of the United States at a lower price than the current market price. I can not quite see where the inducement would come in.

Mr. McNARY. I can not reflect, I will say to the Senator from Montana, the mind of the Cuban grower; but I do know from a general study of the conditions and from the record produced before the committee that stabilization of price is a great element to those people, and they would rather sell at a certain figure that would give them a profit than to sell here and there to one individual at one figure and to another at another figure. They want the good will of the American Government, too, and they want to sell to us in the future; and it is their desire plainly, it appears to me, to sell to the American Government the bulk of what remains.

Mr. WALSH of Montana. On what information does the Senator make that statement?

Mr. McNARY. I gather it from the plea they made to the Sugar Equalization Board to take their crop.

Mr. WALSH of Montana. The Cuban planters?

Mr. McNARY. The Cuban planters.

Mr. RANDELL. Mr. President, will the Senator from Oregon yield for a question?

Mr. McNARY. Very well.

Mr. RANDELL. I did not wish to interrupt the Senator while he was going on, but I want to ask him one or two questions about the bill.

I see that the bill makes no provision for the fund with which to purchase this very large amount of sugar. I ask the Senator what his idea is about that matter. Where will the money come from with which this four and a half million tons of sugar needed by the American people will be purchased?

Mr. McNARY. I will ask the Senator, as a member of the committee, a question in answer to his question. Where did it come from last year, for the 1919 crop?

Mr. RANDELL. I believe they had about \$5,000,000 to operate on.

Mr. McNARY. I think they still have five million, plus the thirty million in profits.

Mr. RANDELL. I beg the Senator's pardon.

Mr. McNARY. They still have the original capital, plus thirty millions of profit they made by the retention of 38 cents on a hundred pounds of sugar.

Mr. RANDELL. That is a very different proposition from purchasing the Cuban crop last year, and purchasing the entire crop made in Hawaii, made in Porto Rico, made in the beet-sugar States of the West, and the sugar made in Louisiana.

Mr. McNARY. Mr. President, I want to rush along. I do not want to yield to the Senator to make a speech. I have answered the question.

Mr. RANDELL. All right; then I will ask the Senator another question. I understood the Senator to say that the beet-sugar crop was the crop that controlled the whole situation, and that if we could purchase the beet-sugar crop that would settle it.

Mr. McNARY. No; I beg the Senator's pardon. I did not make a statement of that kind at all.

Mr. RANDELL. That was the substance of what the Senator said.

Mr. McNARY. It was not the substance of what I said. I did not say a thing about beet sugar of the West, which amounts to only about 700,000 tons, controlling anything.

Mr. RANDELL. I did not say beet sugar. I understood the Senator to say that the Cuban sugar would control the situation.

Mr. McNARY. I beg the Senator's pardon. I thought he said beet sugar.

Mr. RANDELL. It may be that I said "beet." I beg the Senator's pardon if I used the word "beet." The Senator said the Cuban sugar would control the situation?

Mr. McNARY. Yes, I did.

Mr. RANDELL. Then I will ask the Senator if the whole matter could not be settled by passing a law requiring or authorizing the equalization board to purchase the Cuban crop and not interfere with the beet-sugar growers and the Louisiana growers?

Mr. McNARY. Perhaps so, Mr. President. But when we speak of sugar, we speak of it as a product, without reference to any climate or any growers who may produce it. Under the Lever Act sugar was sugar, and was purchased as such, and, of course, if the beet-sugar men, or the cane-sugar men in the South, want to come without the provisions of the bill, an amendment to that effect could be offered, and I will submit that to the judgment of the Senator from Louisiana.

Mr. RANDELL. Is it not a fact that the Sugar Equalization Board did not purchase the beet-sugar crop last year or the Louisiana cane crop last year, but that they did purchase merely the Cuban crop?

Mr. McNARY. I stated in my argument that they came to a voluntary agreement with the local or domestic growers, and finally they fixed a price that was satisfactory to them, namely, 9 cents a pound.

Mr. RANDELL. If they could get along without purchasing the domestic crop for the last year, why give them power now to purchase the domestic crop? Is not that making an interference now with the domestic producers that we did not find necessary to make while the war was in existence?

Mr. McNARY. I do not think so. But I want to say to the Senator in a very friendly spirit that that is a proposition which can be corrected by an amendment, and I suggest to the Senator, if he thinks the growers in Louisiana should have that protection, that he offer an amendment. I am discussing the bill, and not any proposed or suggested or thought-of amendments.

Mr. RANDELL. I will say to the Senator that that is a matter which is very pertinent. It came up in our committee when we had the bill under discussion, and I tried to offer an amendment of that kind. I offered to support the bill if you would limit it to foreign sugars. I have said that to put it in its present shape would interfere with the domestic product, and I would be compelled to fight it, but that if you would limit it to foreign sugars I would support it.

Mr. KIRBY. Mr. President, I desire to have the statement I send to the desk, which appeared under a Washington date line in one of our home papers, made a part of my remarks.

The PRESIDING OFFICER. The Secretary will read it.

The Secretary read as follows:

FEDERAL CONTROL OF SUGAR TO END—CONGRESS'S FAILURE TO ACT UNDOUBTEDLY WILL MEAN HIGHER PRICES.

WASHINGTON, December 4.

The Government will not attempt to control the disposition and sale of sugar after the Sugar Equalization Board is dissolved on December 31.

Attorney General Palmer, in making this announcement to-day, said that as no funds had been provided by Congress for carrying on the work of handling sugar, the Department of Justice would confine its efforts to the punishment of profiteers.

Mr. Palmer said he had put the proposition up to Congress, as he lacked "both the power and the facilities for obtaining tangible results." After officials had outlined plans for a continuance of the control under the supervision of the Department of Justice, he said, the necessary funds and authority were not forthcoming.

Mr. Palmer's action was accepted as opening up the sources of more sugar supplies by permitting refiners to pay more for the Cuban raw stock. It also was believed to mean that sugar prices would soar. The department will continue to hunt down profiteers, but without means of checking up on the cost to the refiner or without control of the price at which the supplies come into this country. It was believed domestic consumers would be forced to pay high prices after January 1.

Mr. KIRBY. Mr. President, it seems to me that some action ought to be taken by Congress or some authority given to protect the American public in this emergency and condition. It has been stated and admitted here that the beet-sugar producers can make money by selling sugar at 10 cents a pound. It has been stated that we can buy, or could have bought, Cuban sugar at 9 cents, and that they could make money on it at that price or less. It has been insisted here that the Louisiana crop is very short, and that they have only 100,000 tons, one-fortieth of the amount of sugar that is consumed in the United States, and that they can not get along very well without 17 cents a pound.

A wholesale merchant in my State wired me that he could not purchase sugar in New York or through any other of the usual channels of trade, and that he was prohibited by a Government agency from buying beet sugar at 10 cents a pound or any other price. The effect of that will be to compel him to pay whatever price is asked of him for sugar in the zone in which he is allowed to deal, and now the people are paying 20 cents a pound for sugar in my town. The only question here, it seems to me, is, shall the whole United States of America be compelled to buy sugar at 20 cents a pound in order that a hundred thousand tons of sugar may be sold at 17 cents a pound?

Mr. GAY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Louisiana?

Mr. KIRBY. Yes.

Mr. GAY. Has the Senator any idea what would have been the price of sugar during the war period had not all of the producers patriotically entered into a contract with the equalization board?

Mr. KIRBY. I do not want to injure anybody. I am not talking—

Mr. GAY. I merely would like to get an expression from the Senator on that point.

Mr. KIRBY. I know that they got as much as their sugar was worth during the war—all of them.

Mr. GAY. That is not an answer to the question.

Mr. KIRBY. That is the result of the whole operation.

Mr. GAY. Mr. Hoover stated, in testifying before a committee, that he thought sugar would have gone to 25 or 30 cents a pound during the war.

Mr. KIRBY. Certainly, and the Government took charge of it to prevent any such outrageous exaction as that; and the Government ought to take charge of it now to prevent any such exaction as is being demanded of the American people.

Mr. GAY. The Senator believes, then, that the Government should enter private enterprise and engage in a business that private individuals are engaged in. Is that his point of view?

Mr. KIRBY. The Senator believes that because of unusual conditions produced on account of the war our whole industrial capacity was strung up to win the war. It takes the production of four men in industry to supply one man fighting at the front. We had 4,800,000 men in the Army, and it took four men at home to supply every one of them. We had to bend every energy to the winning of the war.

Now the war is over. Here are 100,000 tons of sugar in the United States that we want a fair market price for, and shall it be allowed to control the market and run up the price of sugar to 20 cents a pound for all the people of the United States? It would be far better for the Government to pay 17 cents a pound for the 100,000 tons of sugar and buy this other sugar at 6 cents, equalizing the price and bringing it down to 10 or 11 cents, and let the people have and enjoy the benefit

of it. Nobody would suffer then, and everybody would get a fair price for his sugar. Why should not that be done?

Mr. GAY. The Senator is somewhat inaccurate in his statement that the people all over the United States are paying that price. Let me ask him whether he knows why that price prevails in that section of the country?

Mr. KIRBY. My understanding is that it prevails because some authority has designated a zone and compelled our people to buy in that zone, and they are prevented from buying elsewhere.

Mr. GAY. Does the Senator know what authority it was which created that zone?

Mr. KIRBY. I do not know, and I do not care. All I am talking about is the injustice resulting from the fact.

Mr. GAY. I think the Senator ought to know.

Mr. KIRBY. I have no objection to getting the information, but it does not affect the result.

Mr. GAY. The Sugar Equalization Board created the zones, and we are seeking at this time to get away from war-time control, and to get away from the zone system.

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Tennessee?

Mr. KIRBY. I yield.

Mr. McKELLAR. I was going to ask substantially the same question of the Senator, namely, why is it that under the law, which I understand is still in effect, a zone has been established, in which zone, which includes our part of the country, his State and mine, we have to pay 20 cents a pound for sugar, when sugars in other zones of the country bring a very much lower price?

In this connection, if I may have the attention for a moment of the author of the bill, the Senator from Oregon [Mr. McNary], the Senator understands that in the zone in which I live, which includes Tennessee, the board of equalization has fixed a wholesale price of 17 cents, as I recall, on sugar, and it is retailing at about 20 cents a pound. It is selling at a very much less price in various other parts of the United States. Should there not be some provision in this bill which would prevent the Sugar Equalization Board from fixing one price on sugar in one part of the country and another price in another part of the country?

Mr. McNARY. I will say to the Senator that this bill does not contemplate price fixing.

Mr. McKELLAR. But the original act, of which this is an amendment, does contemplate price fixing, and under it this monstrous situation has been developed, namely, that in the part of the country where I live there is a zone set apart in which there is a price on sugar 50 to 100 per cent higher than the price in other parts of the country. That ought to be remedied. Should it not be remedied by this bill that the Senator proposes, if we pass it?

Mr. McNARY. I do not see how you can remedy it by the pending bill when the bill does not contain a provision authorizing the board to fix the price, or create zones, or to ration it.

Mr. KIRBY. I think I can answer the question. If we have enough sugar to supply the market and the wants of the people, it does not make any difference about zones; none need be established, and those in existence can be wiped out or abrogated.

The PRESIDING OFFICER. The hour of 1 o'clock having arrived, the Chair lays before the Senate the unfinished business, which is Senate bill 3288.

RAILROAD CONTROL.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3288) further to regulate commerce among the States and with foreign nations, and to amend an act entitled "An act to regulate commerce," approved February 4, 1887, as amended.

Mr. FRANCE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ball	Fletcher	La Follette	Reed
Beckham	France	Lodge	Sheppard
Borah	Frelinghuysen	McCormick	Sherman
Brandege	Gay	McKellar	Shields
Calder	Hale	McNary	Smith, S. C.
Capper	Harding	Nelson	Stanley
Chamberlain	Harrison	Norris	Sterling
Colt	Johnson, Calif.	Nugent	Trammell
Cummins	Johnson, S. Dak.	Overman	Underwood
Curtis	Jones, Wash.	Page	Walsh, Mont.
Dial	Keyes	Phipps	Warren
Elkins	King	Pomerene	Wolcott
Fernald	Kirby	Ransdell	

Mr. WALSH of Montana. I desire to announce that the Senator from Nevada [Mr. PITTMAN] is absent on account of the critical illness of a member of his family.

I wish also to announce that the Senator from Virginia [Mr. SWANSON] is absent on account of illness in his family.

The PRESIDING OFFICER. Fifty-one Senators have answered to their names. A quorum is present.

Mr. KIRBY. I understand that the sugar bill has been displaced at this time. I do not care to speak further now, but when it shall again come up I have a few further observations to submit on that measure.

Mr. LA FOLLETTE addressed the Senate in continuation of the speech begun by him yesterday. After having spoken for about an hour and a half,

Mr. KING. Mr. President—

Mr. LA FOLLETTE. I yield to the Senator from Utah.

Mr. KING. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll. The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hale	McNary	Smith, Md.
Brandege	Harrison	Moses	Smith, S. C.
Capper	Johnson, Calif.	Myers	Stanley
Chamberlain	Johnson, S. Dak.	New	Sterling
Colt	Jones, N. Mex.	Norris	Trammell
Culberson	Keyes	Overman	Walsh, Mass.
Cummins	King	Page	Walsh, Mont.
Dial	La Follette	Phipps	Warren
Elkins	Lenroot	Pomerene	Williams
France	Lodge	Reed	Wolcott
Gay	McKellar	Sheppard	

The PRESIDING OFFICER. Forty-three Senators have answered to their names. There is not a quorum present. The Secretary will call the names of the absent Senators.

The Secretary called the names of the absent Senators, and Mr. FERNALD and Mr. FRELINGHUYSEN answered to their names when called.

Mr. McLEAN entered the Chamber and answered to his name.

The PRESIDING OFFICER (Mr. MYERS in the chair). Forty-six Senators have answered to their names. There is not a quorum present.

Mr. CUMMINS. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

Mr. CALDER, Mr. NUGENT, Mr. CURTIS, Mr. SUTHERLAND, and Mr. UNDERWOOD entered the Chamber and answered to their names.

Mr. SHEPPARD. The Senator from Arkansas [Mr. KIRBY], the Senator from Louisiana [Mr. RANDELL], the Senator from Tennessee [Mr. SHIELDS], and the Senator from Florida [Mr. FLETCHER] are absent on official business.

Mr. CURTIS. I wish to announce that four of the Senators that have just responded to the roll call have been attending a meeting of a subcommittee of the Committee on Finance in the Senate Office Building, and we came over just as soon as we heard that a quorum was needed.

The PRESIDING OFFICER. Fifty-one Senators have answered to their names. There is a quorum present.

Mr. GAY. I offer an amendment to the pending bill, which I will ask to have printed and lie on the table.

The PRESIDING OFFICER. It will be printed and lie on the table.

Mr. McKELLAR. I submit a motion in the form of a resolution reduced to writing, which I ask to have printed and lie on the table. I give notice that I shall call it up at the earliest moment.

The resolution (S. Res. 254) was ordered to lie on the table and be printed, as follows:

Resolved, That the bill (S. 3288) further to regulate commerce among the States and with foreign nations and to amend an act entitled "An act to regulate commerce," approved February 4, 1887, as amended, be recommitted to the Committee on Interstate Commerce with instructions to strike out all after the enacting clause and to report back a bill containing substantially the following:

First. Terminate Federal control and restore the railroads to their several owners in a manner by which active competition in service may be restored and maintained.

Second. For the purpose of enabling carriers by railroad subject to the commerce act properly to serve the public during the transition period immediately following the termination of Federal control; provide for new loans to the railroads under the direction of the Interstate Commerce Commission and with reasonable limitations upon these loans, together with a temporary guaranty of present income for a period of not longer than six months, the House bill provision on the subject of loans to the railroads being deemed a wise and proper provision.

Third. Give to the Interstate Commerce Commission increased powers, including a supervisory jurisdiction over the arbitration of labor troubles, the issuance of railroad securities, and the chartering of additional lines to the end that railroad securities may be stabilized and rendered a safe investment to the public; all dealings of

the several railroad corporations with their employees; all subjects arising out of Federal control; refunding the carriers' indebtedness to the United States; and the establishment of minimum as well as maximum rates.

Fourth. Provide that the existing rates shall be continued in effect, with full power in the Interstate Commerce Commission to raise and fix reasonable rates, to the end that the railroads and the public shall be fairly treated and that each well and efficiently and economically managed railroad shall have a fair chance to earn a reasonable and just income, but without governmental guaranty, and at the same time providing that the railroads giving the public the best service and managing themselves the best shall make the greatest incomes, and that all railroads shall have and retain such incomes as they may rightfully earn, without dividing any portion thereof with the Government or with other less-favored roads.

[Mr. LA FOLLETTE resumed his speech, and after having spoken altogether for about three hours and a half he yielded the floor for the day.]

RECESS.

Mr. CUMMINS. Mr. President, I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 4 o'clock and 45 minutes p. m.) the Senate took a recess until to-morrow, Thursday, December 11, 1919, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, December 10, 1919.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, offered the following prayer:

Our Father in heaven, we thank Thee that Thou dost live and reign in the hearts of all pure men. Since religion is the life of God in the soul and though men may differ as to the non-essentials, yet in the last analysis they unite in the essentials and worship Thee in spirit and in truth.

Let Thy blessing descend copiously upon these Representatives of a great people, guide them in their deliberations that they may establish good government throughout our land. In the spirit of the Master. Amen.

The Journal of the proceedings of yesterday was read and approved.

ORDER OF BUSINESS.

Mr. SMITH of Michigan. Mr. Speaker—

The SPEAKER. For what purpose does the gentleman rise?

Mr. SMITH of Michigan. Mr. Speaker, I would like to ask that Senate concurrent resolution 9 be stricken from the Calendar, the purpose for which it was put upon the Calendar, approving the course of the President in the industrial convention, not being applicable on account of the dissolving of the convention.

The SPEAKER. Will the gentleman bring that up some other morning?

Mr. HULINGS. Mr. Speaker—

The SPEAKER. For what purpose does the gentleman rise?

Mr. HULINGS. I desire to ask unanimous consent to have printed in the RECORD a memorial of the American petroleum producers in Mexico. This is a memorial—

CALENDAR WEDNESDAY.

The SPEAKER. The Chair thinks the gentleman should defer that until to-morrow morning. This is Calendar Wednesday. The Clerk will call the committees.

The Clerk called the Committee on the Public Lands.

PREFERRED RIGHT OF HOMESTEAD ENTRY FOR DISCHARGED SOLDIERS, SAILORS, AND MARINES.

Mr. SINNOTT. Mr. Speaker, by direction of the Committee on the Public Lands I call up House joint resolution 20.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Joint resolution (H. J. Res. 20) giving to discharged soldiers, sailors, and marines a preferred right of homestead entry.

The SPEAKER. This is on the Union Calendar and the House automatically—

Mr. SANFORD. Mr. Speaker, I make the point of order that the resolution is privileged. This committee has the right to report this resolution at any time, and therefore it can not be brought up on Calendar Wednesday.

Mr. SINNOTT. Mr. Speaker, the resolution was not reported as a privileged resolution, and therefore it is not a privileged resolution. It is only privileged when reported from the floor.

Mr. SANFORD. It is privileged in the sense that the committee can call it up at any time that it sees fit, and if the committee wanted this resolution considered they could have followed that course and had the resolution brought up at any time.

Mr. SINNOTT. Mr. Speaker, I understand the resolution only will be privileged when it is reported from the floor. In accordance with the rule a resolution is never privileged unless it is reported from the floor.

The SPEAKER. The Chair will consider whether it is privileged or not; the Chair is not familiar with the resolution.

Mr. SANFORD. Mr. Speaker, it is a joint resolution for the reservation of public lands for the benefit of settlers.

Mr. MONDELL. Mr. Speaker, I doubt if this resolution is privileged under the rule. Resolutions and bills from the Committee on the Public Lands reserving lands for homestead settlers are privileged, but this resolution does not reserve lands for homestead settlers. It makes special provision with regard to lands which may be open.

Mr. SINNOTT. Mr. Speaker, I desire to call the attention of the Speaker to section 723 of the Manual, where it states, "but privileged reports must still be made from the floor." Now, unless the report is made from the floor it is not privileged, and this report was made in the ordinary way from the committee, and was not made from the floor, even though it has a privileged status, and I doubt, even with the committee reporting it from the floor, whether it would have a privileged status or would be entitled to be reported from the floor.

Mr. SANFORD. Mr. Speaker, on that question it seems to me it is clear that the report from the floor is a characteristic of a privileged resolution, and is not a test of whether it is privileged or not. If the resolution is privileged the committee can bring it up from the floor at any time, and that is the method provided by the rule. And the fact that the committee does not bring it up from the floor does not change the character of the resolution in any respect.

The SPEAKER. What does the gentleman say in reference to the suggestion made by the gentleman from Wyoming that it is not really a reservation but provides a preference to a certain class of citizens?

Mr. SANFORD. The substance of the bill is that certain rights shall be reserved in these public lands for a certain class of people, and it seems to me it brings it clearly within the rule making it privileged. Certain rights in these public lands are reserved by the joint resolution for a certain class of persons. The only way it is distinguished from a general reservation is that it is for the benefit of a certain class and not everybody. I have no opposition to the joint resolution, but I think it should be brought up some time other than on Calendar Wednesday.

Mr. SINNOTT. Mr. Speaker, that reservation, under Rule LVI, must be for the benefit of "actual and bona fide settlers."

Mr. SANFORD. It is to be understood, I think, that the persons to be benefited by this reservation are to be actual and bona fide settlers.

Mr. SINNOTT. Perhaps it may in the future, but it does not read that way.

The SPEAKER. The Chair did not understand the last statement of the gentleman from Oregon.

Mr. SINNOTT. Under Rule LVI, bills for "the reservation of the public lands for the benefit of actual and bona fide settlers" are bills that have a privileged status when they are properly reported from the floor. This does not reserve lands for actual and bona fide settlers.

The SPEAKER. Why does it not?

Mr. MANN of Illinois. Will the gentleman from New York yield?

Mr. SANFORD. I will.

Mr. MANN of Illinois. Privilege is on the reservation of public lands. I notice this bill provides in reference to both public lands and Indian lands to entry. Has it ever been held that privilege extended to the reservation or the opening of Indian lands and settlements?

Mr. SANFORD. I do not know much about the Indian lands. I should rather leave that to some other gentleman.

Mr. MANN of Illinois. I do not recall.

Mr. SANFORD. I think if they are not public in character they could not very well be opened up.

Mr. MANN of Illinois. We have the power to dispose of Indian lands, and this bill relates to the disposition of Indian lands, not public lands. The bill at least draws a distinction between public lands and Indian lands. It is very seldom that this privilege has been exercised since I have been a Member of the House. My impression has been that it did not apply to Indian lands. Bills for the disposition of Indian lands, of course, usually come from the Committee on Indian Affairs. That committee does not have a privileged status. Now, suppose a bill is introduced providing for the disposition of Indian lands, and instead of being referred to the Committee on Indian Affairs it is referred to the Committee on Public Lands. Would that give the